KEYCORP /NEW/
Form S-3
December 22, 2004

As filed with the Securities and Exchange Commission on December 22, 2004

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

KeyCorp

(Exact name of Registrant as specified in its charter)

Ohio	**34-6542451**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

127 Public Square

Cleveland, Ohio 44114-1306
(216) 689-6300

(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

DANIEL R. STOLZER, ESQ.,
Vice President and
Deputy General Counsel
KeyCorp
127 Public Square
Cleveland, Ohio 44114-1306
(216) 689-6300
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
STUART K. FLEISCHMANN, ESQ.
Shearman & Sterling LLP
599 Lexington Avenue
New York, New York 10022
(212) 848-4000

Approximate date of commencement of proposed sale of securities to the public:

From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. o

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the Securities Act), other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. x

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Form 434, please check the following box. o

(continued on next page)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered(1)(2)	Amount to be registered(3)	Proposed maximum offering price per unit(4)	Proposed maximum aggregate offering price(5)	Amount of registration fee
Debt securities				
Debt warrants				
Preferred stock, with a par value of $1 each				
Depositary shares(6)				
Preferred stock warrants	$2,500,000,000		$2,500,000,000	$294,250(8)
Depositary share warrants				
Common shares, with a par value of $1 each(7)				
Common share warrants				
Capital securities(5)				
Units				

(1) This registration statement also covers contracts that may be issued by the registrant under which the counterparty may be required to purchase debt securities, preferred stock or depositary shares. Such contracts would be issued with the debt securities, preferred stock, depositary shares and/or warrants covered hereby.

(2) This registration statement also serves to register such indeterminate amount of securities that are to be offered and sold in connection with market-making activities of affiliates of the registrant, including McDonald Investments Inc.

(3) In no event will the aggregate initial offering price of the debt securities, debt warrants, preferred stock, depositary shares, preferred stock warrants, depositary share warrants, common shares, common share warrants, capital securities and units issued under this registration statement and not previously registered under the Securities Act, and in the case of warrants for which separate consideration is payable upon issuance of underlying securities, securities issued upon exercise of warrants, exceed $2,500,000,000 or the equivalent thereof in one or more foreign currencies or composite currencies, including the euro. The aggregate amount of common shares registered hereunder is further limited to that which is permissible under Rule 415(a)(4) under the Securities Act. If any securities are issued at an original issue discount, then additional securities may be issued so long as the aggregate initial offering price of all such securities, together with the initial offering price of all other securities registered hereunder does not exceed $2,500,000,000.

(4) The proposed maximum offering price per unit will be determined from time to time by the registrant in connection with, and at the time of, the issuance by the registrant of the securities registered hereunder or previously registered under the Securities Act.

(5)

No separate consideration will be received for (i) common shares or other capital securities (which may consist of common shares or preferred stock) that are issued upon conversion at the option of a holder of debt securities, preferred stock or depositary shares or (ii) capital securities or other debt securities that are issued upon conversion at the option of the registrant of debt securities, preferred stock or depositary shares. The proposed maximum aggregate offering price has been estimated solely for the purpose of computing the registration fee pursuant to Rule 457 of the Securities Act.

(continued on next page)

(6) Such indeterminate number of depositary shares to be evidenced by depositary receipts issued pursuant to a deposit agreement. In the event the registrant elects to offer to the public whole or fractional interests in shares of the preferred stock registered hereunder, depositary receipts will be distributed to those persons purchasing such interests and such shares will be issued to the depositary under the deposit agreement.

(7) Includes associated rights to purchase common shares. Until the occurrence of certain prescribed events, none of which has occurred, the rights are not exercisable, are evidenced by the certificates representing the common shares and will be transferred along with and only with the common shares.

(8) Pursuant to Rule 429 of the Rules and Regulations under the Securities Act, the prospectus included herein is a combined prospectus which also relates to $428,500,000 of debt securities initially registered on Registration Statement on Form S-3 (No. 333-73380) previously filed by the registrant and declared effective on November 27, 2001 and as to which a filing fee of $500,000 was paid. This registration statement constitutes Post-Effective Amendment No. 1 to the registrant s Registration Statement on Form S-3 (No. 333-73380). Such post-effective amendment shall hereafter become effective concurrently with the effectiveness of this registration statement and in accordance with Section 8(c) of the Securities Act. The aggregate amount of securities covered by this registration statement and the other registration statement referred to above to which the prospectus contained herein relates shall not exceed $2,928,500,000.

The registrant hereby amends this registration statement on such date as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

THIS INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE NOTES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS IS NOT AN OFFER TO SELL THESE NOTES AND THEY ARE NOT SOLICITING ANY OFFER TO BUY THESE NOTES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

Subject To Completion, Dated December 22, 2004

PROSPECTUS SUPPLEMENT

(To Prospectus dated December , 2004)

$1,928,500,000
KeyCorp

Senior Medium-Term Notes, Series H

Subordinated Medium-Term Notes, Series G
Due 9 Months or More from Date of Issue

We may use this prospectus supplement to offer our medium-term notes from time to time. The following terms may apply to the notes:

Ranking as our senior or subordinated indebtedness

Stated maturities of 9 months or more from date of issue

Redemption and/or repayment provisions, whether mandatory, at our option, at the option of the holders or none at all

Payments in U.S. dollars or one or more foreign currencies

Book-entry (through The Depository Trust Company) or certificated form

Interest payments on fixed rate notes on each June 15 and December 15

Interest payments on floating rate notes on a monthly, quarterly, semiannual or annual basis

Interest at fixed or floating rates, or no interest at all. We may base the floating interest rate on one or more of the following indices plus or minus a spread and/or multiplied by a spread multiplier:

CD rate	CMT rate
Commercial paper rate	Eleventh District Cost
EURIBOR	of Funds rate
LIBOR	Federal Funds rate
Treasury rate	Prime rate

Such other interest basis or interest rate formula as we may specify in the applicable pricing supplement

The Medium-Term Notes covered by this prospectus supplement include Medium-Term Notes available for sale under the previous prospectus supplement. We will specify the final terms for each note in the applicable pricing supplement, which may be different from the terms described in this prospectus supplement.

We may sell the notes to the Agents as principals for resale at varying or fixed offering prices or through the Agents as agents using their reasonable best efforts on our behalf. If we sell all of the notes, we expect to receive proceeds of between $1,914,036,250 and $1,926,089,375, after paying the Agents discounts and commissions of between $2,410,625 and $14,463,750 and before deducting expenses payable by us. We may also sell the notes without the assistance of the Agents (whether acting as principal or as agent).

Investing in the notes involves certain risks. See Risk Factors beginning on page S-3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement, the accompanying prospectus or any pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

These notes are our obligations and will not be savings accounts or other obligations of our bank or nonbank subsidiaries. These notes are not insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund, the Bank Insurance Fund or any other governmental agency.

Bear, Stearns & Co. Inc.

Credit Suisse First Boston
Goldman, Sachs & Co.
JPMorgan
Merrill Lynch & Co.
Citigroup
Deutsche Bank Securities
HSBC
KeyBanc Capital Markets
Morgan Stanley
UBS Investment Bank

December , 2004.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement. We have not, and the Agents have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the Agents are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement is accurate as of its date only. Our business, financial condition, results of operations and prospects may have changed since that date.

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Prospectus Supplement

Prospectus

RISK FACTORS

Your investment in the notes is subject to certain risks, especially if the notes involve in some way a foreign currency. This prospectus supplement does not describe all of the risks of an investment in the notes, including, among others, risks arising because the notes are denominated in a currency other than U.S. dollars or because the return on the notes is linked to one or more interest rate or currency indices or formulas. You should consult your own financial and legal advisors about the risks entailed by an investment in the notes and the suitability of your investment in the notes in light of your particular circumstances. The notes are not an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions or transactions involving the type of index or formula used to determine amounts payable. Before investing in the notes, you should consider carefully, among other factors, the matters described below.

The information set forth in this prospectus supplement is directed to prospective purchasers of the notes who are United States residents. We disclaim any responsibility to advise prospective purchasers who are residents of countries other than the United States regarding any matters that may affect the purchase or holding of, or receipt of payments of principal, premium or interest on, the notes. Such persons should consult their advisors with regard to these matters. Any pricing supplement relating to the notes having a specified currency other than U.S. dollars will contain a description of any material exchange controls affecting such currency and any other required information concerning such currency.

Changes in Exchange Rates and Exchange Controls Could Result in a Substantial Loss to You

If you invest in foreign currency notes and currency indexed notes, your investment will be subject to significant risks not associated with investments in debt instruments denominated in U.S. dollars or U.S. dollar-based indices.

Such risks include, but are not limited to:

- the possibility of significant market changes in rates of exchange between the U.S. dollar and your payment currency;
- the possibility of significant changes in rates of exchange between U.S. dollars and the specified currency resulting from official redenomination relating to your payment currency; and
- the possibility of the imposition or modification of foreign exchange controls by either the United States or foreign governments.

Such risks generally depend on factors over which KeyCorp has no control and which cannot be readily foreseen such as:

- economic events;
- political events; and
- the supply for, and demand for, the relevant currencies.

In recent years, rates of exchange between the U.S. dollar and certain foreign currencies have been volatile. This volatility may continue in the future. Past fluctuations in any particular exchange rate are not necessarily indicative, however, of fluctuations that may occur in the rate during the term of the note. Fluctuations in exchange rates against the U.S. dollar could result in a decrease in the U.S. dollar-equivalent value of the principal or any premium payable at maturity of your notes and, generally, in the U.S. dollar-equivalent market value of your notes. The currency risks with respect to your foreign currency notes or currency indexed notes may be further described in the applicable pricing supplement.

Foreign exchange rates can either float or be fixed by sovereign governments. Governments, however, often do not voluntarily allow their currencies to float freely in response to economic forces. Instead, governments use a variety of techniques, such as intervention by that country s central bank, or the imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Governments also may issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by the devaluation or revaluation of a currency. Thus, an important risk in purchasing foreign currency notes or currency indexed notes for U.S. dollar-based investors is that their U.S. dollar-equivalent yields could be affected by governmental actions that could change or interfere with currency valuation that was previously freely determined, fluctuations in response to other market forces and the movement of currencies across borders. We will make no adjustment or change in the terms of the foreign currency notes or currency indexed notes if exchange rates become fixed, or if any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes occur, or other developments, affecting the U.S. dollar or any applicable currency occur.

The exchange rate agent will make all calculations relating to your foreign currency notes or currency indexed notes. All such determinations will, in the absence of clear error, be binding on holders of the notes.

For notes with a specified currency other than U.S. dollars, we may include in the applicable pricing supplement information concerning historical exchange rates for that currency against the U.S. dollar and a brief description of any relevant exchange controls.

The Unavailability of Currencies Could Result in a Substantial Loss to You

Except as set forth below, if payment on a note is required to be made in a specified currency other than U.S. dollars and such currency is:

- unavailable due to the imposition of exchange controls or other circumstances beyond our control;
- no longer used by the government of the country issuing such currency; or
- no longer used for the settlement of transactions by public institutions of the international banking community

then all payments on such note shall be made in U.S. dollars until such currency is again available or so used. The amounts so payable on any date in such currency shall be converted into U.S. dollars on the basis of the most recently available market exchange rate for such currency or as otherwise indicated in the applicable pricing supplement. Any payment on such note made under such circumstances in U.S. dollars will not constitute an event of default under the applicable indenture.

If the specified currency of a note is officially redenominated, other than as a result of the European Monetary Union, such as by an official redenomination of any such specified currency that is a composite currency, then our payment obligations on such note will be the amount of redenominated currency that represents the amount of our obligations immediately before the redenomination. The notes will not provide for any adjustment to any amount payable under such notes as a result of:

- any change in the value of the specified currency of such notes relative to any other currency due solely to fluctuations in exchange rates; or
- any redenomination of any component currency, unless such composite currency is itself officially redenominated.

Currently, there are limited facilities in the United States for conversion of U.S. dollars into foreign currencies, and vice versa. In addition, banks do not generally offer non-U.S. dollar-denominated checking or savings account facilities in the United States. Accordingly, payments on notes in a currency other than U.S. dollars will be made from an account at a bank located outside the United States, unless otherwise specified in the applicable pricing supplement.

Judgments in a Foreign Currency Could Result in a Substantial Loss to You

The indentures and the notes, except to the extent specified otherwise in a pricing supplement, will be governed by, and construed in accordance with, the laws of the State of New York. As a holder of notes, you may bring an action based upon an obligation payable in a currency other than U.S. dollars in courts in the United States. However, courts in the United States have not customarily rendered judgments for money damages denominated in any currency other than U.S. dollars. In addition, it is not clear whether in granting such judgment, the rate of conversion would be determined with reference to the date of default, the date judgment is rendered or any other date. The Judiciary Law of the State of New York provides, however, that an action based upon an obligation payable in a currency other than U.S. dollars will be rendered in the foreign currency of the underlying obligation and converted to U.S. dollars at an exchange rate prevailing on the date the judgment or decree is entered. In these cases, holders of foreign currency notes would bear the risk of exchange rate fluctuations between the time the dollar amount of this judgment is calculated and the time U.S. dollars were paid to the holders.

The Risk of Loss to You as a Result of Linking Principal or Interest on Payments on Indexed Notes to an Index Can Be Substantial

If you invest in indexed notes, your investment will be subject to significant risks that are not associated with an investment in a conventional fixed rate debt security. Indexation of the interest rate of a note may result in lower (or no) interest compared to a conventional fixed rate debt security issued at the same time. Indexation of the principal of and/or premium on a note may result in the payment of a lower amount of principal and/or premium (or no principal and/or premium) compared to the original purchase price of the note. The value of an index can fluctuate based on a number of interrelated factors. The risks associated with a particular indexed note generally depend on factors over which we have no control and which cannot readily be foreseen. These risks include:

- economic events;

- political events; and

- the supply of, and demand for, the assets underlying the index.

Additionally, if the formula specified to determine the amount of principal, premium and/or interest payable with respect to indexed notes contains a multiple or leverage factor, that feature may magnify the effect of any change in the index. You should not view the historical experience of an index as an indication of its future performance. The risk of loss as a result of linking principal or interest payments on indexed notes to an index can be substantial. You should consult your own financial and legal advisors as to the risks of an investment in indexed notes.

Changes in Credit Ratings Could Result in a Substantial Loss to You

The credit ratings on our Medium-Term Note Program may not reflect the potential impact of all risks related to structure and other factors on the value of the notes. In addition, real or anticipated changes in our credit ratings generally will affect the market value of the notes.

SELECTED CONSOLIDATED FINANCIAL DATA

The following table presents summary consolidated financial data which has been derived from, and should be read in conjunction with, the consolidated financial statements, the notes thereto and the other financial information pertaining to KeyCorp incorporated by reference into the accompanying prospectus. This summary is qualified in its entirety by the detailed information and financial statements included in the documents incorporated by reference under Where You Can Find More Information in the accompanying prospectus. The data presented for the years ended December 31, 2003, 2002, 2001, 2000, and 1999 is derived from our audited consolidated financial statements. The data presented for the nine-month periods ended September 30, 2004 and 2003 has been derived from our unaudited consolidated financial statements and is not necessarily indicative of the data for the entire year. These interim financial statements include, in the opinion of management, all adjustments of a normal recurring nature and disclosures which are necessary to present fairly the data for such interim periods. The comparability of the data presented is affected by certain acquisitions and divestitures that we and our subsidiaries have completed in the time periods presented. Some previously reported results have been reclassified to conform to the current presentation.

	Nine months ended September 30,		Year ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
	(Unaudited)		(Audited) (dollars in millions, except per share amounts)				
For the period							
Interest income	$ 2,803	$ 3,014	$ 3,970	$ 4,366	$ 5,627	$ 6,277	$ 5,695
Interest expense	848	960	1,245	1,617	2,802	3,547	2,908
Net interest income	1,955	2,054	2,725	2,749	2,825	2,730	2,787
Provision for loan losses	206	378	501	553	1,350	490	348
Noninterest income	1,313	1,294	1,760	1,769	1,725	2,194	2,315
Noninterest expense	2,028	2,044	2,742	2,653	2,941	2,917	3,070
Income before income taxes and cumulative effect of accounting changes	1,034	926	1,242	1,312	259	1,517	1,684
Income before cumulative effect of accounting changes	741	669	903	976	157	1,002	1,107
Net income	741	669	903	976	132	1,002	1,107
Per common share							
Income before cumulative effect of accounting changes	$ 1.80	$ 1.58	$ 2.13	$ 2.29	$ .37	$ 2.32	$ 2.47
Income before cumulative effect of accounting changes assuming dilution	1.78	1.57	2.12	2.27	.37	2.30	2.45
Net income	1.80	1.58	2.13	2.29	.31	2.32	2.47
Net income assuming dilution	1.78	1.57	2.12	2.27	.31	2.30	2.45
Cash dividends paid	.93	.915	1.22	1.20	1.18	1.12	1.04
Book value at period end	17.12	16.64	16.73	16.12	14.52	15.65	14.41
Market price:							
High	33.23	27.88	29.41	29.40	28.15	28.50	38.13
Low	28.23	22.31	22.31	20.96	20.49	15.56	21.00
Close	31.60	25.57	29.32	25.14	24.34	28.00	22.13
Weighted average common shares(000)	411,371	423,697	422,776	425,451	424,275	432,617	448,168
Weighted average common shares and potential common shares(000)	416,002	426,968	426,157	430,703	429,573	435,573	452,363

	Nine months ended September 30,		Year ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
	(Unaudited)		(Audited) (dollars in millions)				
At period end							
Loans	$64,981	$62,723	$62,711	$62,457	$63,309	$66,905	$64,222
Earning assets	76,335	73,258	73,143	73,635	71,672	77,316	73,733
Total assets	88,455	84,460	84,487	85,202	80,938	87,270	83,395
Deposits	55,483	48,739	50,858	49,346	44,795	48,649	43,233
Long-term debt	13,444	15,342	15,294	15,605	14,554	14,161	15,881
Shareholders equity	6,946	6,977	6,969	6,835	6,155	6,623	6,389
Performance ratios							
Return on average total assets	1.16%	1.06%	1.07%	1.19%	.16%	1.19%	1.37%
Return on average equity	14.36	12.98	13.08	14.96	2.01	15.39	17.68
Net interest margin (taxable equivalent)	3.64	3.81	3.80	3.97	3.81	3.69	3.93
Capital ratios at period-end							
Equity to assets	7.85%	8.26%	8.25%	8.02%	7.60%	7.59%	7.66%
Tangible equity to tangible assets	6.57	6.94	6.94	6.73	6.29	6.12	6.03
Tier 1 risk-based capital	7.72	8.23	8.35	7.74	7.17	7.72	7.68
Total risk-based capital	11.67	12.48	12.57	12.11	11.07	11.48	11.66
Leverage	8.27	8.37	8.55	8.16	7.66	7.71	7.77
Asset quality data							
Nonperforming loans	$ 390	$ 795	$ 694	$ 943	$ 910	$ 650	$ 447
Nonperforming assets	460	862	753	993	947	672	473
Allowance for loan losses	1,251	1,405	1,406	1,452	1,677	1,001	930
Net loan charge-offs	291	425	548	780	673	414	318
Nonperforming loans to period-end loans	.60%	1.27%	1.11%	1.51%	1.44%	.97%	.70%
Nonperforming assets to period-end loans plus OREO and other nonperforming assets	.71	1.37	1.20	1.59	1.49	1.00	.74
Allowance for loan losses to nonperforming loans	320.77	176.73	202.59	153.98	184.29	154.00	208.05
Allowance for loan losses to period-end loans	1.93	2.24	2.24	2.32	2.65	1.50	1.45
Net loan charge-offs to average loans	.61	.90	.87	1.23	1.02	.63	.51

KEYCORP

Overview

KeyCorp, organized in 1958 under the laws of the State of Ohio, is headquartered in Cleveland, Ohio. It has elected to be a bank holding company and a financial holding company under the Bank Holding Company Act of 1956, as amended. At September 30, 2004, KeyCorp was one of the nation s largest bank-based financial services companies with consolidated total assets of $88 billion. Our subsidiaries provide a wide range of retail and commercial banking, commercial leasing, investment management, consumer finance and investment banking products and services to individual, corporate and institutional clients through three major business groups: Consumer Banking, Corporate and Investment Banking and Investment Management Services. As of September 30, 2004, these services were provided across much of the country through subsidiaries operating 921 full-service retail banking branches, a telephone banking call center services group, and a network of 2,187 ATMs in 17 states. Together with our subsidiaries, we had average full-time equivalent employees of 19,635 during the three months ended September 30, 2004.

We are a legal entity separate and distinct from our bank and other subsidiaries. Accordingly, our rights and the rights of our security holders and creditors to participate in any distribution of the assets or earnings of our bank and other subsidiaries is necessarily subject to the prior claims of the respective creditors of our bank and other subsidiaries, except to the extent that our claims in our capacity as creditor of our bank and other subsidiaries may be recognized.

Our principal executive office is located at 127 Public Square, Cleveland, Ohio 44114-1306. Our telephone number is (216) 689-6300.

Subsidiaries

Our bank subsidiary, KeyBank National Association (KeyBank), is headquartered in Cleveland, Ohio. In addition to the customary banking services of accepting deposits and making loans, our bank and trust company subsidiaries provide specialized services, including personal and corporate trust services, personal financial services, customer access to mutual funds, cash management services, investment banking and capital markets products and international banking services. Through our subsidiary bank, trust company and registered investment adviser subsidiaries, we provide investment management services to individual and institutional clients, including large corporate and public retirement plans, foundations and endowments, high net worth individuals and Taft-Hartley plans (*i.e.*, multiemployer trust funds established for providing pension, vacation and other benefits to employees).

KeyCorp provides other financial services both inside and outside of its primary banking markets through its nonbank subsidiaries. These services include accident and health insurance on loans made by our subsidiary bank, principal investing, community development financing, securities underwriting, brokerage and other financial services. KeyCorp is an equity participant in a joint venture with Key Merchant Services, LLC, which provides merchant services to businesses.

Major Lines of Business

The following is a description of KeyCorp s and its subsidiaries (collectively, Key) major lines of business:

<u>Consumer Banking</u>

Retail Banking provides individuals with branch-based deposit and investment products, personal finance services and loans, including residential mortgages, home equity and various types of installment loans.

Small Business provides businesses that have annual sales revenues of $10 million or less with deposit, investment and credit products, and business advisory services.

Consumer Finance includes Indirect Lending and National Home Equity.

Indirect Lending offers automobile and marine loans to consumers through dealers and finances inventory for automobile and marine dealers. This business unit also provides federal and private education loans to students and their parents and processes payments on loans from private schools to parents.

National Home Equity provides both prime and nonprime mortgage and home equity loan products to individuals. These products originate outside of Key s retail branch system. This business unit also works with mortgage brokers and home improvement contractors to provide home equity and home improvement solutions.

Corporate and Investment Banking

Corporate Banking provides products and services to large corporations, middle-market companies, financial institutions and government organizations. These products and services include commercial lending, treasury management, investment banking, derivatives and foreign exchange, equity and debt underwriting and trading, and syndicated finance.

KeyBank Real Estate Capital provides construction and interim lending, permanent debt placements and servicing, and equity and investment banking services to developers, brokers and owner-investors. This line of business deals exclusively with non-owner-occupied properties (*i.e.*, generally properties for which the owner occupies less than 60% of the premises).

Key Equipment Finance meets the equipment leasing needs of companies worldwide and provides equipment manufacturers, distributors and resellers with financing options for their clients. Lease financing receivables and related revenues are assigned to other lines of business (primarily Corporate Banking) if those businesses are principally responsible for maintaining the relationship with the client.

Investment Management Services

Investment Management Services includes Victory Capital Management and McDonald Financial Group.

Victory Capital Management manages or gives advice regarding investment portfolios for a national client base, including corporations, labor unions, not-for-profit organizations, governments and individuals. These portfolios may be managed in separate accounts, common funds or the Victory family of mutual funds.

McDonald Financial Group offers financial, estate and retirement planning and asset management services to assist high-net-worth clients with their banking, brokerage, trust, portfolio management, insurance, charitable giving and related needs.

Other Segments

Other Segments consists primarily of Corporate Treasury and Key s Principal Investing unit.

DESCRIPTION OF NOTES

The following summary of the particular terms of the notes supplements the description of the general terms and provisions of the debt securities that is found under the heading Description of Debt Securities in the accompanying prospectus. If any specific information regarding the notes in this prospectus supplement is inconsistent with the more general terms of the debt securities described in the prospectus, you should rely on the information in this prospectus supplement. Capitalized terms used and not defined in this prospectus supplement have the meanings set forth in the accompanying prospectus.

The pricing supplement for each offering of notes will contain the specific information and terms for that offering. If any information in the pricing supplement, including any changes in the method of calculating interest on any note, is inconsistent with this prospectus supplement, you should rely on the information in the pricing supplement. The pricing supplement may also add, update or change information contained in the prospectus and this prospectus supplement. It is important for you to consider the information contained in the prospectus, this prospectus supplement and the pricing supplement in making your investment decision.

General

We will offer the notes on a continuous basis as senior notes or subordinated notes.

The notes are our direct, unsecured obligations. The total public offering price of the notes that we may offer is $1,928,500,000, based upon $1,500,000,000 aggregate principal amount of notes or the equivalent in one or more foreign currencies or composite currencies to be issued under this prospectus supplement and $428,500,000 aggregate principal amount of notes or the equivalent in one or more foreign currencies or composite currencies available under the previous prospectus supplement. Of the total principal amount of $1,453,500,000 of medium term notes under the previous prospectus supplement, $1,025,000,000 aggregate principal amount of Senior Medium-Term Notes have been issued as of the date hereof. There is no limitation on the amount of notes that KeyCorp may issue either under this prospectus supplement or otherwise, subject to customary conditions.

Notes issued under our senior indenture will rank equally with all of our other unsecured and unsubordinated indebtedness that is not accorded a priority under applicable law. Notes issued under our subordinated indenture will be subordinated in right of payment to the prior payment in full of our Senior Indebtedness and, in certain insolvency events, our Other Senior Obligations.

The Senior Medium-Term Notes, Series H, Due 9 Months or More from Date of Issue constitute a single series for purposes of the senior indenture (separate from our other series of senior medium-term notes) and the aggregate principal amount of such series is not limited. At September 30, 2004, our total Senior Indebtedness was $13,175,609,000 and there were no Other Senior Obligations.

The Subordinated Medium-Term Notes, Series G, constitute a single series for purposes of the subordinated indenture (separate from our other series of subordinated medium-term notes) and the aggregate principal amount of such series is not limited. At September 30, 2004, we also had outstanding $1,813,748,000 of subordinated debt securities, consisting of $200,000,000 of 6.75% Subordinated Notes due 2006; $250,000,000 of 7.50% Subordinated Notes due 2006; $25,000,000 of 6.625% Subordinated Notes due 2017; $350,000,000 of 7.826% Subordinated Notes due 2026; $150,000,000 of 8.25% Subordinated Notes due 2026; $250,000,000 of 2.34% Subordinated Notes due 2028; $250,000,000 of 6.875% Subordinated Notes due 2029; $250,000,000 of 7.75% Subordinated Notes due 2029; $175,000,000 of 5.875% Subordinated Notes due 2033; and $75,000,000 of 6.125% Subordinated Notes due 2033.

The indentures do not limit the amount of our notes or other debt obligations that may be issued thereunder.

Each note will mature on any day nine months or more from its date of issue, subject to extension, redemption or repayment as specified in the applicable pricing supplement.

The notes (other than the amortizing notes) will not be subject to any sinking fund, unless otherwise specified in the applicable pricing supplement.

The defeasance and covenant defeasance provisions of the Indentures described under Description of Debt Securities Discharge, Covenant Defeasance and Full Defeasance in the attached prospectus will apply to the notes.

The pricing supplement relating to each note will specify the price (expressed as a percentage of the aggregate principal amount thereof) at which such note will be issued if other than 100%, the principal amount, the interest rate or interest rate formula, ranking, maturity, currency, any redemption or repayment provisions and any other terms applicable to each such note that are not inconsistent with the applicable indenture.

Unless we specify otherwise in the applicable pricing supplement, we will denominate the notes in U.S. dollars and we will make all payments on the notes in U.S. dollars. For further information regarding foreign currency notes, see Risk Factors and Special Provisions Relating To Foreign Currency Notes .

You must pay the purchase price of the notes in immediately available funds.

We may from time to time, without the consent of existing note holders, issue additional notes having the same terms and conditions (including maturity and interest payment terms) as notes previously issued pursuant to this prospectus supplement in all respects, except for the issue date, issue price and the first payment of interest. Additional notes issued in this manner will be fungible with the previously issued notes to the extent specified in the applicable pricing supplement. No additional notes may be issued in a particular series if an Event of Default (as defined in the respective indenture) has occurred and is continuing with respect to that series.

Unless otherwise defined in the pricing supplement, (i) business day means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in The City of New York; provided, however, that, with respect to foreign currency notes, such day is also not a day on which commercial banks are authorized or required by law, regulation or executive order to close in the principal financial center (as defined) of the country issuing the specified currency (or, if the specified currency is the euro and for EURIBOR notes, such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open); provided, further, that, with respect to notes as to which LIBOR is an applicable interest rate basis, such day is also a London business day; (ii) London business day means a day on which commercial banks are open for business (including dealings in the designated LIBOR currency) in London; and (iii) principal financial center means (1) the capital city of the country issuing the specified currency or (2) the capital city of the country to which the designated LIBOR currency relates, as applicable, except, in the case of (1) or (2) above, that with respect to United States dollars, Australian dollars, Canadian dollars, Deutsche marks, Dutch guilders, Portuguese escudos, South African rand and Swiss francs, the principal financial center shall be The City of New York, Sydney and (solely in the case of the specified currency) Melbourne, Toronto, Frankfurt, Amsterdam, London (solely in the case of the designated LIBOR currency), Johannesburg and Zurich, respectively.

Unless otherwise specified in the applicable pricing supplement, the authorized denominations of notes denominated in U.S. dollars will be $1,000 or any greater amount that is an integral multiple of $1,000. We will designate the authorized denominations of foreign currency notes in the applicable pricing supplement.

Book-Entry Debt Securities

Except under certain circumstances, we will issue the notes in book-entry form only. This means that we will generally not issue actual notes or certificates to you. Instead, we will issue a global security representing notes with similar terms and such global security will be held by The Depository Trust Company (DTC), or its nominee. In order to own a beneficial interest in a note, you must be an institution that has an account with DTC or have an account with an institution, such as a brokerage firm, that has an account with DTC. For a more complete description of book-entry debt securities, see Description of Debt Securities Book-Entry Procedures in the prospectus.

Payments of principal of, premium if any, and interest on the notes represented by a global security will be made in same-day funds to DTC in accordance with arrangements then in effect between the applicable trustee and DTC.

Interest and Interest Rates

General

Each note will begin to accrue interest from the date it is originally issued or from the last date in respect of which interest has been paid or duly provided for, as the case may be, until the principal thereof is paid or made available for payment. In the related pricing supplement, we will designate each note as a fixed rate note, a floating rate note, an amortizing note, a renewable note, an extendible note or an indexed note and describe the method of determining the interest rate, including any spread and/or spread multiplier. For an indexed note, we will also describe in the related pricing supplement the method for calculating and paying principal and interest. For a floating rate note or indexed note, we may also specify a maximum and a minimum interest rate in the related pricing supplement.

We may issue a note as a fixed rate note or a floating rate note or as a note that combines fixed and floating rate terms.

Interest rates on the notes that we offer may differ depending upon, among other things, the aggregate principal amount of notes purchased in any single transaction. We may offer notes with similar variable terms but different interest rates, as well as notes with different variable terms, concurrently to different investors. We may, from time to time, change the interest rates or formulas and other terms of notes, but no such change will affect any note already issued or as to which an offer to purchase has been accepted.

Interest will be payable to the person in whose name the note is registered at the close of business on the applicable record date; provided that the interest payable upon maturity, redemption or repayment (whether or not the date of maturity, redemption or repayment is an interest payment date) will be payable to the person whom principal is payable.

U.S. dollar payments of interest, other than interest payable at maturity (or on the date of redemption or repayment, if a note is redeemed or repaid prior to maturity), will be made by check mailed to the address of the person entitled thereto as shown on the note register. U.S. dollar payments of principal, premium, if any, and interest upon maturity, redemption, or repayment will be made in immediately available funds against presentation and surrender of the note. Notwithstanding the foregoing, (a) DTC, as holder of book-entry notes, shall be entitled to receive payments of interest by wire transfer of immediately available funds and (b) a holder of U.S. $1.0 million (or the equivalent) or more in aggregate principal amount of certificated notes (whether having identical or different terms and provisions) shall be entitled to receive payments of interest by wire transfer of immediately available funds upon written request to the paying agent not later than 15 calendar days prior to the applicable interest payment date.

Fixed Rate Notes

In the pricing supplement for fixed rate notes, except a zero-coupon note, we will specify a fixed interest rate payable semiannually in arrears on each June 15 and December 15 (each an interest payment date) and the regular record date for fixed rate notes will be May 31 and November 30, respectively, except as otherwise provided in the pricing supplement. Interest on fixed rate notes will be computed on the basis of a 360-day year of twelve 30-day months. If the maturity date or an interest payment date for any fixed rate note is not a business day, we will pay principal, premium, if any, and interest for that note on the next business day, and no interest will accrue from and after the maturity date or interest payment date.

Original Issue Discount Notes

We may issue original issue discount notes (including zero-coupon notes) (discount notes), which are notes issued at a discount from the principal amount payable at the maturity date. A discount note may not have any periodic interest payments. For discount notes, interest normally accrues during the life of the note and is paid at the maturity date or upon earlier redemption. Upon a redemption, repayment or acceleration of the maturity of a discount note, the amount payable will be determined as set forth under Optional Redemption, Repayment and Repurchase . Normally this amount is less than the amount payable at the maturity date.

Amortizing Notes

We may issue amortizing notes, which are fixed rate notes for which combined principal and interest payments are made in installments over the life of each note. Unless otherwise specified in the applicable pricing supplement, payments will be made semiannually on each June 15 and December 15. We apply payments on amortizing notes first to interest due and then to reduce the unpaid principal amount. We will include a table setting forth repayment information in the related pricing supplement for an amortizing note.

Floating Rate Notes

Each floating rate note will have an interest rate basis or formula. We may base that formula on:

- the CD Rate;
- the CMT Rate;
- the Commercial Paper Rate;
- the Eleventh District Cost of Funds Rate;
- EURIBOR;
- the Federal Funds Rate;
- LIBOR;
- the Prime Rate;
- the Treasury Rate; or
- another negotiated interest rate basis or formula.

In the pricing supplement, we also will indicate any spread and/or spread multiplier that would be applied to the interest rate formula to determine the interest rate. Any floating rate note may have a maximum or minimum interest rate limitation. In addition to any maximum interest rate limitation, the interest rate on the floating rate notes will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application.

We will appoint a calculation agent to calculate interest rates on the floating rate notes. Unless we identify a different party in the pricing supplement, KeyBank will be the calculation agent for each note. In most cases, a floating rate note will have a specified interest reset date , interest determination date and calculation date associated with it. An interest reset date is the date on which the interest rate on the note is subject to change. An interest determination date is the date as of which the new interest rate is determined for a particular interest reset date, based on the applicable interest rate basis or formula as of that interest determination date. The calculation date is the date by which the calculation agent will determine the new interest rate that became effective on a particular interest reset date based on the applicable interest rate basis or formula on the interest determination date.

Change of Interest Rate

Except as otherwise provided in the pricing supplement, we may reset the interest rate on each floating rate note daily, weekly, monthly, quarterly, semiannually, annually or on some other basis that we specify (such period being the interest reset period). The interest reset date is the first day of each interest reset period and will be:

- for notes with interest that resets daily, each business day;
- for notes (other than Treasury Rate notes) with interest that resets weekly, Wednesday of each week;
- for Treasury Rate notes with interest that resets weekly, Tuesday of each week, except as otherwise described in the second paragraph under Date Interest Rate is Determined ;
- for notes with interest that resets monthly, the third Wednesday of each month;
- for notes with interest that resets quarterly, the third Wednesday of March, June, September and December of each year;
- for notes with interest that resets semiannually, the third Wednesday of each of the two months of each year which are six months apart, as specified in the applicable pricing supplement; and
- for notes with interest that resets annually, the third Wednesday of one month of each year as specified in the applicable pricing supplement.

The related pricing supplement will describe the initial interest rate or interest rate formula on each note. That rate is effective until the following interest reset date. Thereafter, the interest rate will be the rate determined on each interest determination date. Each time a new interest rate is determined, it becomes effective on the subsequent interest reset date. If any interest reset date is not a business day, then the interest reset date is postponed to the next succeeding business day, except, in the case of a LIBOR note or a EURIBOR note, in which case, if the next business day is in the next calendar month, the interest reset date is the immediately preceding business day.

Date Interest Rate Is Determined

The interest determination date for all floating rate notes (except LIBOR notes, EURIBOR notes, Treasury Rate notes and Eleventh District Cost of Funds Rate notes) will be the second business day before the interest reset date. The interest determination date in the case of LIBOR notes will be the second London business day immediately preceding the applicable interest reset date, unless the designated LIBOR currency is British pounds sterling, in which case the interest determination date will be the applicable interest reset date.

The interest determination date for Treasury Rate notes will be the day of the week in which the interest reset date falls on which Treasury bills of the same index maturity are normally auctioned. Treasury bills are usually sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on Tuesday. Sometimes, the auction is held on the preceding Friday. If an auction is held on the preceding Friday, that day will be the interest determination date relating to the interest reset date occurring in the next week. If an auction date falls on any interest reset date, then the interest reset date will instead be the first business day immediately following the auction date.

The interest determination date for an Eleventh District Cost of Funds Rate note is the last business day of the month immediately preceding the applicable interest reset date on which the Federal Home Loan Bank of San Francisco published the index.

Calculation Date

Unless we specify a different date in a pricing supplement, the calculation date, if applicable, relating to an interest determination date will be the earlier of:

(1) the tenth calendar day after such interest determination date or, if such day is not a business day, the next succeeding business day, or

(2) the business day immediately preceding the relevant interest payment date or the maturity date, as the case may be.

Upon the request of the beneficial holder of any floating rate note, the calculation agent will provide the interest rate then in effect and, if different, the interest rate that will become effective on the next interest reset date for the floating rate note.

Payment of Interest

Except as otherwise provided in the pricing supplement, we will pay installments of interest on floating rate notes as follows:

- for notes (other than Eleventh District Cost of Funds Rate notes) with interest payable monthly, on the third Wednesday of each month;
- for Eleventh District Cost of Funds Rate notes, the first calendar day of each month as specified in the applicable pricing supplement;
- for notes with interest payable quarterly, on the third Wednesday of March, June, September, and December of each year;
- for notes with interest payable semiannually, on the third Wednesday of each of the two months specified in the applicable pricing supplement;
- for notes with interest payable annually, on the third Wednesday of the month specified in the applicable pricing supplement (each of the above an interest payment date); and
- at maturity, redemption or repurchase.

Each interest payment on a floating rate note will include interest accrued from, and including, the issue date or the last interest payment date, as the case may be, to, but excluding, the following interest payment date or the maturity date, as the case may be.

We will pay installments of interest on floating rate notes beginning on the first interest payment date after its issue date to holders of record on the corresponding regular record date. Unless we otherwise specify in the applicable pricing supplement, the regular record date for a floating rate note will be on the 15th day (whether or not a business day) next preceding the interest payment date. If an interest payment date (but not the maturity date) is not a business day, we will postpone payment until the next succeeding business day, provided that, in the case of LIBOR notes or EURIBOR notes, such interest payment date will be the preceding business day if the next succeeding business day is in the next calendar month. If the maturity date of any floating rate note is not a business day, principal, premium, if any, and interest for that note will be paid on the next succeeding business day, and no interest will accrue from and after the maturity date.

We will calculate accrued interest on a floating rate note by multiplying the principal amount of a note by an accrued interest factor. The accrued interest factor is the sum of the interest factors calculated for each day in the period for which accrued interest is being calculated. The interest factor for each day is computed by dividing the interest rate in effect on that day by (1) the actual number of days in the year, in the case of Treasury Rate notes or CMT Rate notes, or (2) 360, in the case of other floating rate notes. All percentages resulting from any calculation are rounded to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upward. For example, 9.876545% (or .09876545) will be rounded to 9.87655% (or .0987655). All currency amounts used in or resulting from such calculation will be rounded to the nearest one-hundredth of a unit (with five one-thousandths of a unit being rounded upward).

Calculation of Interest

CD Rate Notes

Each CD Rate note will bear interest for each interest reset period at an interest rate equal to the CD Rate and any spread or spread multiplier specified in such note and in the applicable pricing supplement.

The CD Rate for any interest determination date is the rate on that date for negotiable certificates of deposit having the index maturity described in the related pricing supplement, as published in H.15(519) prior to 3:00 PM., New York City time, on the calculation date, for that interest determination date under the heading CDs (secondary market) . The index maturity is the period to maturity of the instrument or obligation with respect to which the related interest rate basis or formulae will be calculated.

The calculation agent will observe the following procedures if the CD Rate cannot be determined as described above:

If the above described rate is not published in H.15(519) by 3:00 PM., New York City time, on the calculation date, the CD Rate will be the rate on that interest determination date for negotiable certificates of deposit of the index maturity described in the pricing supplement as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption CDs (secondary market) .

If that rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the calculation date, then the calculation agent will determine the CD Rate to be the average of the secondary market offered rates as of 10:00 A.M., New York City time, on that interest determination date, quoted by three leading non-bank dealers of negotiable U.S. dollar certificates of deposit in New York City for negotiable certificates of deposit in a denomination of $5,000,000 of major United States money-center banks of the highest credit standing (in the market for negotiable certificates of deposit) with a remaining maturity closest to the index maturity described in the pricing supplement. The calculation agent will select the three dealers referred to above.

If fewer than three dealers are quoting as mentioned above, the CD Rate will remain the CD Rate then in effect on that interest determination date.

H.15(519) means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System.

H.15 Daily Update means the daily update of H.15(519), available through the Internet site of the Board of Governors of the Federal Reserve System at *http://www.federalreserve.gov/releases/h15/update,* or any successor site or publication.

CD Rate notes, like other notes, are not deposit obligations of a bank and are not insured by the Federal Deposit Insurance Corporation.

Commercial Paper Rate Notes

Each Commercial Paper Rate note will bear interest for each interest reset period at an interest rate equal to the Commercial Paper Rate and any spread or spread multiplier specified in such note and the applicable pricing supplement.

The Commercial Paper Rate for any interest determination date is the money market yield (as defined below) of the rate on that date for commercial paper having the index maturity described in the related pricing supplement, as published in H.15(519) prior to 3:00 P.M., New York City time, on the calculation date for that interest determination date under the heading Commercial Paper Nonfinancial .

The calculation agent will observe the following procedures if the Commercial Paper Rate cannot be determined as described above:

If the above rate is not published in H.15(519) by 3:00 P.M., New York City time, on the calculation date, the Commercial Paper Rate will be the money market yield of the rate on that interest determination date for commercial paper having the index maturity described in the pricing supplement, as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption Commercial Paper Nonfinancial .

If that rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the calculation date, then the calculation agent will determine the Commercial Paper Rate to be the money market yield of the average of the offered rates of three leading dealers of U.S. dollar commercial paper in New York City as of 11:00 A.M., New York City time, on that interest determination date for commercial paper having the index maturity described in the pricing supplement placed for an industrial issuer whose bond rating is Aa , or the equivalent, from a nationally recognized securities rating organization. The calculation agent will select the three dealers referred to above.

If fewer than three dealers selected by the calculation agent are quoting as mentioned above, the Commercial Paper Rate will remain the Commercial Paper Rate then in effect on that interest determination date.

Money market yield means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money market yield} = 360 - (D \times M) \times 100$$

where D refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and M refers to the actual number of days in the reset period for which interest is being calculated.

LIBOR Notes

Each LIBOR note will bear interest for each interest reset period at an interest rate equal to LIBOR and any spread or spread multiplier specified in such note and the applicable pricing supplement.

On each interest determination date, the calculation agent will determine LIBOR as follows:

If the pricing supplement specifies LIBOR Telerate , LIBOR on any interest determination date will be the rate for deposits in the LIBOR currency (as defined below) having the index maturity described in the related pricing supplement on the applicable interest reset date, as such rate appears on the designated LIBOR page (as defined below) as of 11:00 A.M., London time, on that interest determination date.

If the pricing supplement specifies LIBOR Reuters , LIBOR on any interest determination date will be the average of the offered rates for deposits in the LIBOR currency having the index maturity described in the related pricing supplement on the applicable interest reset date, as such rates appear on the designated LIBOR page as of 11:00 A.M., London time, on that interest determination date, if at least two such offered rates appear on the designated LIBOR page.

If the pricing supplement does not specify LIBOR Telerate or LIBOR Reuters, the LIBOR Rate will be LIBOR Telerate. In addition, if the designated LIBOR page by its terms provides only for a single rate, that single rate will be used regardless of the foregoing provisions requiring more than one rate.

On any interest determination date on which fewer than the required number of applicable rates appear or no rate appears on the applicable designated LIBOR page, the calculation agent will determine LIBOR as follows:

LIBOR will be determined on the basis of the offered rates, at approximately 11:00 A.M., London time, on the relevant LIBOR interest determination date, at which deposits in the LIBOR currency having the index maturity described in the related pricing supplement, beginning on the relevant interest reset date and in a representative amount, are offered by four major banks in the London interbank market to prime banks in that market. The calculation agent will select the four banks and request the principal London office of each of those banks to provide a quotation of its rate for deposits in the LIBOR currency. If at least two quotations are provided, LIBOR for that interest determination date will be the arithmetic mean of those quotations.

If fewer than two quotations are provided as mentioned above, LIBOR will be the arithmetic mean of the rates quoted by three major banks in the principal financial center selected by the calculation agent at approximately 11:00 A.M. in the principal financial center, on the interest determination date for loans to leading European banks in the LIBOR currency having the index maturity designated in the pricing supplement and in a principal amount that is representative for a single transaction in the LIBOR currency in that market at that time. The calculation agent will select the three banks referred to above.

If fewer than three banks selected by the calculation agent are quoting as described above, LIBOR will remain LIBOR then in effect on that interest determination date.

LIBOR currency means the currency specified in the applicable pricing supplement as to which LIBOR shall be calculated or, if no such currency is specified in the applicable pricing supplement, United States dollars.

Designated LIBOR page means:

if the pricing supplement specifies LIBOR Reuters , the display on the Reuters Monitor Money Rates Service (or any successor service) on the page specified in such pricing supplement (or any other page as may replace such page on such service) for the purpose of displaying the London interbank rates of major banks for the LIBOR currency; or

if the pricing supplement specifies LIBOR Telerate or neither LIBOR Reuters nor LIBOR Telerate is specified in the applicable pricing supplement as the method of calculating LIBOR, the display on Moneyline Telerate, Inc. (or any successor service, Telerate) on the page specified in such pricing supplement (or any other page as may replace such page on such service) for the purpose of displaying the London interbank rates of major banks for the LIBOR currency.

Federal Funds Rate Notes

Each Federal Funds Rate note will bear interest for each interest reset period at an interest rate equal to the Federal Funds Rate and any spread or spread multiplier specified in such note and the applicable pricing supplement.

The Federal Funds Rate for any interest determination date is the rate on that date for Federal Funds, as published in H.15(519) prior to 3:00 P.M., New York City time, on the calculation date for that interest determination date under the heading Federal Funds (Effective) , as such rate is displayed on Telerate on page 120 (or any other page as may replace such page on such service) (Telerate Page 120).

The calculation agent will follow the following procedures if the Federal Funds Rate cannot be determined as described above:

If the above rate is not published in H.15(519) by 3:00 P.M., New York City time, on the calculation date, the Federal Funds Rate will be the rate on that interest determination date, as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption Federal Funds (Effective) .

If that rate does not appear on Telerate Page 120 or is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the calculation date, then the calculation agent will determine the Federal Funds Rate to be the average of the rates for the last transaction in overnight Federal Funds quoted by three leading brokers of Federal Funds transactions in New York City as of 9:00 A.M., New York City time, on that interest determination date. The calculation agent will select the three brokers referred to above.

If fewer than three brokers selected by the calculation agent are quoting as mentioned above, the Federal Funds Rate will be the Federal Funds Rate then in effect on that interest determination date.

Prime Rate Notes

Prime Rate notes will bear interest at a rate equal to the Prime Rate and any spread or spread multiplier specified in the Prime Rate notes and the applicable pricing supplement.

The Prime Rate for any interest determination date is the prime rate or base lending rate on that date, as published in H.15(519) by 3:00 P.M., New York City time, on the calculation date for that interest determination date under the heading Bank Prime Loan or, if not published by 3:00 P.M., New York City time, on the related calculation date, the rate on such interest determination date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption Bank Prime Loan.

The calculation agent will follow the following procedures if the Prime Rate cannot be determined as described above:

If the rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 PM., New York City time, on the calculation date, then the calculation agent will determine the Prime Rate to be the average of the rates of interest publicly announced by each bank that appears on the Reuters screen designated as USPRIME1 as that bank s prime rate or base lending rate as in effect for that interest determination date.

If at least one rate but fewer than four rates appear on the Reuters screen USPRIME1 on the interest determination date, then the Prime Rate will be the average of the prime rates or base lending rates quoted (on the basis of the actual number of days in the year divided by a 360-day year) as of the close of business on the interest determination date by three major money center banks in the City of New York selected by the calculation agent.

If the banks selected by the calculation agent are not quoting as mentioned above, the Prime Rate will remain the Prime Rate then in effect on the interest determination date.

USPRIME1 means the display on the Reuter Monitor Money Rates Service (or any successor service) on the USPRIME1 page (or any other page as may replace that page on that service), or, if no such display, the display on the Bloomberg service (or any successor service) on the page specified in the applicable pricing supplement (or any other page as may replace such page on such service) for the purpose of displaying prime rates or lending rates of major United States banks.

Treasury Rate Notes

The Treasury Rate for any interest determination date is the rate set at the auction of direct obligations of the United States (Treasury Bills) having the index maturity described in the related pricing supplement under the caption INVESTMENT RATE on the display on Telerate on page 56 (or any other page as may replace such page on such service) or page 57 (or any other page as may replace such page on such service) by 3:00 PM., New York City time, on the calculation date for that interest determination date.

The calculation agent will follow the following procedures if the Treasury Rate cannot be determined as described above:

If the rate is not so published by 3:00 P.M., New York City time, on the calculation date, the Treasury Rate will be the bond equivalent yield (as defined below) of the auction rate of such Treasury Bills as published in H.15 Daily Update, or such recognized electronic source used for the purpose of displaying such rate, under the caption U.S. Government Securities Treasury Bills/ Auction High.

If the rate is not so published by 3:00 P.M., New York City time, on the calculation date and cannot be determined as described in the immediately preceding paragraph, the Treasury Rate will be the bond equivalent yield of the auction rate of such Treasury Bills as otherwise announced by the United States Department of Treasury.

If the results of the most recent auction of Treasury Bills having the index maturity described in the pricing supplement are not published or announced as described above by 3:00 P.M., New York City time, on the calculation date, or if no auction is held on the interest determination date, then the Treasury Rate will be the bond equivalent yield on such interest determination date of Treasury Bills having the index maturity specified in the applicable pricing supplement as published in H.15(519) under the caption U.S. Government Securities/ Treasury Bills/ Secondary Market or, if not published by 3:00 P.M., New York City time, on the related calculation date, the rate on such interest determination date of such Treasury Bills as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption U.S. Government Securities/ Treasury Bills/ Secondary Market.

If such rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related calculation date, then the calculation agent will determine the Treasury Rate to be the bond equivalent yield of the average of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on the interest determination date of three leading primary U.S. government securities dealers (which may include the Agents or their affiliates) for the issue of Treasury Bills with a remaining maturity closest to the index maturity described in the related pricing supplement. The calculation agent will select the three dealers referred to above.

If fewer than three dealers selected by the calculation agent are quoting as mentioned above, the Treasury Rate will remain the Treasury Rate then in effect on that interest determination date.

Bond equivalent yield means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond equivalent yield} = \frac{D \times N \times 100}{360 - (D \times M)}$$

where D refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis, N refers to 365 or 366, as the case may be, and M refers to the actual number of days in the applicable interest reset period.

CMT Rate Notes

The CMT Rate for any interest determination date is the rate displayed on the designated CMT Telerate page by 3:00 P.M., New York City time, on the calculation date for that interest determination date under the caption . . . Treasury Constant Maturities . . . Federal Reserve Board Release

H.15 . . . Mondays Approximately 3:45 P.M., under the column for the index maturity described in the related pricing supplement for:

(1) if the designated CMT Telerate page is 7051, the rate on such interest determination date; or

(2) if the designated CMT Telerate page is 7052, the weekly or monthly average for the week or the month, specified in the related pricing supplement, ended immediately preceding the week or month in which the related interest determination date occurs.

The calculation agent will follow the following procedures if the CMT Rate cannot be determined as described above:

If the rate is not displayed on the relevant page by 3:00 P.M., New York City time, on the calculation date, then the CMT Rate will be the Treasury constant maturity rate for the designated CMT maturity index (as defined below), as published in H.15(519).

If that rate is not published in H.15(519) by 3:00 P.M., New York City time, on the calculation date, then the CMT Rate will be the Treasury constant maturity rate (or other United States Treasury rate) for the designated CMT maturity index for the interest determination date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the calculation agent determines to be comparable to the rate formerly displayed on the designated CMT Telerate page and published in H.15(519).

If that information is not provided by 3:00 P.M., New York City time, on the calculation date, then the calculation agent will determine the CMT Rate to be a yield to maturity based on the average of the secondary market closing offered rates, as of approximately 3:30 P.M., New York City time, on the interest determination date reported, according to their written records, by three leading primary United States government securities dealers (each, a reference dealer) in New York City. The calculation agent will select five reference dealers and will eliminate the highest quotation (or, in the event of overlap, one of the highest quotations) and the lowest quotation (or, in the event of overlap, one of the lowest quotations), for the most recently issued direct noncallable fixed rate obligations of the United States (Treasury notes) with an original maturity of approximately the designated CMT maturity index and a remaining term to maturity of not less than the designated CMT maturity index minus one year.

If the calculation agent cannot obtain three Treasury note quotations, the calculation agent will determine the CMT Rate to be a yield to maturity based on the average of the secondary market offered rates as of approximately 3:30 P.M., New York City time, on the interest determination date of three reference dealers in New York City (selected using the same method described above) for Treasury notes with an original maturity of the number of years that is the next highest to the designated CMT maturity index and a remaining term to maturity closest to the designated CMT maturity index and in an amount of at least $100,000,000. If two Treasury notes with an original maturity have remaining terms to maturity equally close to the designated CMT maturity index, the calculation agent will obtain quotations for the Treasury note with the shorter remaining term to maturity.

If three or four (but not five) reference dealers are quoting as described above, then the CMT Rate will be based on the average of the offered rates obtained and neither the highest nor the lowest of those quotations will be eliminated.

If fewer than three reference dealers selected by the calculation agent are quoting as described above, the CMT Rate will remain the CMT Rate then in effect on the interest determination date.

Designated CMT Telerate page means the display on Telerate, on the page specified in the applicable pricing supplement (or any other page as may replace such page on such service) for the purpose of displaying Treasury Constant Maturities as reported in H.15(519) or, if no such page is specified in the applicable pricing supplement, page 7052.

Designated CMT maturity index means the original period to maturity of the U.S. Treasury securities (either 1, 2, 3, 5, 7, 10, 20 or 30 years) specified in the applicable pricing supplement with respect to which the CMT Rate will be calculated or, if no such maturity is specified in the applicable pricing supplement, 2 years.

Eleventh District Cost of Funds Rate Notes

Eleventh District Cost of Funds Rate notes will bear interest at the interest rates, calculated based on the Eleventh District Cost of Funds Rate and any spread or spread multiplier specified in such notes and the applicable pricing supplement.

The Eleventh District Cost of Funds Rate for any interest determination date is the rate equal to the monthly weighted average cost of funds for the month preceding the interest determination date as displayed on the Telerate Page 7058 by 11:00 A.M., San Francisco time, on the calculation date for that interest determination date under the caption 11th District.

The calculation agent will use the following procedures if the Eleventh District Cost of Funds Rate cannot be determined as described above:

If the rate is not displayed on the relevant page by 11:00 A.M., San Francisco time, on the calculation date, then the Eleventh District Cost of Funds Rate will be the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District, as announced by the Federal Home Loan Bank of San Francisco, for the month immediately preceding the interest determination date.

If no announcement was made relating to the month preceding the interest determination date, the Eleventh District Cost of Funds Rate will remain the Eleventh District Cost of Funds Rate then in effect on the interest determination date.

EURIBOR Notes

Each EURIBOR note will bear interest for each interest reset period at an interest rate equal to EURIBOR and any spread multiplier specified in such note and the applicable pricing supplement.

The calculation agent will determine EURIBOR on each EURIBOR determination date, which is the second TARGET business day prior to the interest reset date for each interest reset period.

On a EURIBOR determination date, the calculation agent will determine EURIBOR for each interest reset period by determining the offered rates for deposits in euros for the period of the index maturity specified in the applicable pricing supplement, commencing on such interest reset date, which appears on page 248 of the Telerate service or any successor service or any page that may replace page 248 on that service which is commonly referred to as Telerate Page 248 as of 11:00 a.m., Brussels time, on that date.

If EURIBOR cannot be determined on a EURIBOR determination date as described above, then the calculation agent will determine EURIBOR as follows:

The calculation agent will select four major banks in the Euro-zone interbank market.

The calculation agent will request that the principal Euro-zone offices of those four selected banks provide their offered quotations to prime banks in the Euro-zone interbank market at approximately 11:00 a.m., Brussels time, on the EURIBOR determination date. These quotations shall be for deposits in euros for the period of the specified index maturity, commencing on such interest reset date. Offered quotations must be based on a principal amount equal to at least $1,000,000 or the approximate equivalent in euros that is representative of a single transaction in such market at such time. If two or more quotations are provided, EURIBOR for such interest reset period will be the arithmetic mean of such quotations.

If fewer than two quotations are provided, the calculation agent will select four major banks in the Euro-zone and then determine EURIBOR for such interest reset period as the arithmetic mean of rates quoted by those four major banks in the Euro-zone to leading European banks at approximately 11:00 a.m., Brussels time, on such EURIBOR determination date. The rates quoted will be for loans in euros, for the period of the specified index maturity, commencing on the interest reset date. Rates quoted must be based on a principal amount of at least $1,000,000 or the approximate equivalent in euros that is representative of a single transaction in such market at such time.

If the banks so selected by the calculation ag